



TO: Honorable Mayor and City Council

THRU: Craig Clifford, Chief Financial Officer

FROM: Art Rullo, Budget Director

CC: John Little, Acting City Manager
David Ellison Assistant City Manager
Roger Klingler, Assistant City Manager
Neal Shearer, Assistant City Manager
Scott McCarty, Assistant Financial Services General Manager

DATE: April 30, 2008

RE: Responses to Councilman Lane's Follow-up Questions

Honorable Mayor and City Council Members,

Below are responses to Councilman Lane's inquires related to the recent Police, Fire and Planning & Development Department presentations.

#1 Request: Provide comparative year-over-year overtime expense 2006-07(actual) to 2007-08 (forecast) and the 2008-09 budgeted for Police & Fire.

Staff Response: The Police and Fire Department staff have prepared the requested comparative analysis, which can be found on Attachments A (Police) and Attachment B (Fire).

#2 Request: Provide some explanation on the cost of the new Fire Stations and recent comparative costs for new fire stations here and in our neighboring communities.

Staff Response: The Fire Department with assistance from the Municipal Services Department Capital Project Management staff assembled a summary of comparative costs for new fire stations for Scottsdale and neighboring communities. Please see Attachment C.

#3 Request: Provide workload analysis use to budget between FY 2006-07 and FY 2007-08 and going to FY 2008-09 in the Planning & Development Department.

Staff Response: The Planning and Development Services measures customer service at several steps during the development process, from the City Visionary Process, to the initial inquiry at the One Stop Shop, to the final inspections. Several indicators are listed below:

	FY 06/07 <u>Actual</u>	FY 07/08 <u>Estimated</u>	FY 08/09 <u>Projected</u>
Number of pre-application meetings	397	380	375
Number of development cases	400	350	350
Number of total plans reviewed	7,982	7,900	7,800
Number of permits issued	12,200	11,000	10,900
Number of inspections	197,721	160,000	158,000
Number of Certificates of Occupancies	3,206	2,500	2,450
Number of walk in customers	35,000	30,000	28,000
Wait time for customers	25 min	20 min	20 min
30 day turnaround for plan review	met 85%	met 99%	goal of 99%

The FY 2005/2007 budget approved 9 new staff in the Advance Planning division in anticipation of an increased work plan to complete the 2001 General Plan. The first component of the work plan is the Downtown Plan update, anticipated to be completed in fall 2008. The Southern and Airpark Community Plan will be completed in FY 08/09. In addition, the division also researches and develops text amendments to address topical development issues. For FY 08/09 staff will be proposing up to nine (9) changes to the zoning ordinance to address topical development issues.

Planning & Development Services monitors and manages resources as appropriate to maintain our level of service to our paying customers, as well as to meet City Council expectations. There is an -8% decrease in the proposed FY 08/09 General Fund expenditure budget over the prior year for the core planning & development divisions. With the addition of the Preservation office and the Environmental office, there is a -4% decrease in proposed General Fund expenditure budget from FY 07/08 to FY 08/09.

In response to shifting customer demands and workloads, the department has reassigned positions to other programs both within and outside of the department; for example, as part of a City Council action in December of 2007, 2 FTEs were transferred to the Stormwater Management division. In the FY 08/09 budget Planning is proposing to reassign 5 positions to non-planning activities: 1 FTE to the Preservation office and 4 FTEs to the Environmental Office.

As indicated above, over the past couple of years the number of inspection requests has dropped, primarily due to a decrease in the number of permits issued. The decrease is also attributed to consolidation of inspection stops, a recent operational change implemented to enhance customer service. Accordingly, inspection positions have been

redeployed to other high priority service areas such as Current Planning, Plan Review and the One Stop Shop.

Planning & Development Services will continue to monitor and manage staffing resources as appropriate to meet customer and City Council expectations.

#4 Request: Provide any workload impact of efficiencies from new technologies employed in the Planning & Development Department.

Staff Response: In the FY 07/08 budget the Planning and Development Department created a Planning Technology program, centralizing the department's technology needs, resources and budget into one unit.

The program's objective is to apply creativity and innovation in the delivery of service. Over the past two years the unit has implemented several enhancements to the department's services with the emphasis on making the development process easier, more understandable and more accessible for our customers. Some examples of enhanced customer services include: Digital Plan Review, which allows the customer to submit their plans electronically and for the plan review to add a digital comment layer; "My Neighborhood" Web site, an Internet database to research proposed development cases, active permits and other activity occurring within a neighborhood; and "Virtual Open House", an Internet program to garner public comment on proposed text amendments and community plans. Although these enhancements are very beneficial to our customers, these types of enhancements have not reduced workload for staff.

If I may be of assistance to you, please call me at 480-312-2435 or via e-mail at arullo@scottsdaleaz.gov.

**Police Department
Comparative YOY Overtime Expense FY 2006/07(Actual), FY 2007/08 (Forecast), and FY 2008/09 (Proposed Budget)**

The following is a summary of the Police Department overtime expenses and hours from FY 2006/07 (actual) to FY 2008/09 (proposed budget):

Police	FY 2006/07 (Actual)	FY 2007/08 (Est)	FY 2008/09 (Proposed Budget)
Overtime Expenses	\$ 6,246,824	\$ 7,304,570	\$ 6,777,584
Overtime Hours	147,192	165,000	144,401
<i>\$ Change in Hours from FY 06/07Actual</i>		17,808	(2,791)
<i>% Change in Hours from FY 06/07Actual</i>		12%	(2%)

Overtime is classified by cause codes, which are indicative of the included overtime activities:

Overtime Cause Codes:	FY2006/07 Actual			FY2007/08 Estimate			FY2008/09 Budget		
	%	Hours	Dollars	%	Hours	Dollars	%	Hours	Dollars
<i>Holiday coverage</i>	18%	26,495	\$1,124,428	22%	36,053	\$1,596,049	22%	31,552	\$1,480,902
<i>Extended duty</i> (extended shift activity, investigations, surveillance, reports, arrests)	43%	63,293	\$2,686,134	39%	65,076	\$2,880,922	39%	56,952	\$2,673,079
<i>Critical service coverage</i> (coverage for employees on vacation, illness, medical leave, vacant positions for SWAT call outs/training)	21%	30,910	\$1,311,833	18%	29,717	\$1,315,553	18%	26,007	\$1,220,643
<i>Meetings & mandatory training</i>	10%	14,719	\$624,682	12%	19,866	\$879,470	12%	17,386	\$816,021
<i>Special events</i>	3%	4,416	\$187,405	5%	7,920	\$350,619	3%	4,765	\$223,660
<i>Court</i> (all types)	4%	5,888	\$249,873	3%	5,709	\$252,738	4%	6,440	\$302,280
<i>Emergency situations</i> (callouts due to nature, major catastrophe, etc.)	1%	1,472	\$62,468	0.4%	660	\$29,218	0.4%	578	\$27,110
Totals	100%	147,192	\$6,246,824	100%	165,000	\$7,304,570	100%	144,401	\$6,777,584

In addition to typical overtime circumstances, FY 2007/08 Police overtime reflects several supplementary challenges. Some of the more prominent ones being; surveillances, Special Events and related activities, the Records Management System (RMS) and coverage for new positions in training. There have been a number of extended surveillance operations in support of various investigations this year, including; the school bus vandalism case, an international drug distribution ring and the plasma t.v. burglaries. Special Events and related activities, such as the FBR Open and Super Bowl 2008, have helped to make this the busiest special events season to date. The Records Management System has increased the workload for many divisions because of the multiple modules requiring data entry and related backlog, and quality control checking. Coverage for sworn and civilian positions in training continues to draw on departmental resources. Thirty-five (35) sworn positions are currently in some phase of "pipeline" training.

Fiscal year to date overtime reimbursements in the amount of \$179,735 has been received. This includes compensation for State and Federal task force overtime, as well as unexpected assignments such as coverage during construction on the Loop 101 freeway, a Goo Goo Dolls concert, etc. Fiscal year end reimbursements are estimated at \$245,809.

The key driver and variable in the management an overtime are the number of overtime hours experienced. As noted above the department continues to monitor all overtime hours by cause code and is proposing to reduce the number of overtime hours in FY 2008/09 by approximately 2% from the FY 2006/07 actual hours. The proposed increase in the overtime dollars over the two years is attributable to the expansion of the police pay ranges and ongoing merit pay adjustments. The department remains committed to the management and reporting of overtime variances to City Management and the City Council. We believe we have a system in place to meet our mutual goal of managing police overtime and have demonstrated our ability to reduce overtime hours by decreasing the hours forecasted for FY 2008/09.

**Fire Department
Comparative YOY Overtime Expense FY 2006/07 (Actual), FY 2007/08 (Forecast) and FY 2008/09 Proposed Budget**

The following is a summary of the Fire Department overtime expenses and hours from FY 2006/07 (actual) to FY 2008/09 (proposed budget):

Fire	FY 2006/07 (Actual)	FY 2007/08 (Estimate)	FY 2008/09 (Proposed Budget)
Overtime Expenses	\$2,691,682	\$2,294,839	\$2,890,499
Overtime Hours	108,689	86,919	103,037
\$ Change in Hours from FY 06/07 Actual		(21,770)	(5,652)
% Change in Hours from FY 06/07 Actual		(20%)	(5%)

Overtime is classified by the following tracking codes:

Overtime tracking codes (reflects overtime dollars and hours)

Overtime Codes	FY 2006/07 (Actual)		FY 2007/08 Estimate		FY 2008/09 Proposed Budget	
	Dollars	Hours	Dollars	Hours	Dollars	Hours
Extended duty (hrs that are worked in addition to regular shift)	\$402,682	1,484.80 + 31,824 Half-time	\$402,673	30,856	\$491,064	35,964
Critical staffing coverage (coverage for employees on vacation, medical, and vacant positions)	\$1,696,655	55,986.80	\$1,179,405	35,303	\$1,057,060	29,652
Meetings and mandatory training	\$430,649	14,313.30	\$515,100	15,004	\$966,589	26,916
Special events	\$161,696	5,080	\$197,661	5,756	\$375,786	10,505
Total (\$ / hours)	\$2,691,682	108,689	\$2,294,839	86,919	\$2,890,499	103,037

For each fiscal year reported in this memo, we are providing a basis for the overtime usage below:

FY 2006/2007

During this year the department had 9 vacancies. The vacancies required overtime hours to backfill open seats at each station. Every field position in the fire department must be staffed. The department took steps to minimize the affects on the budget by reducing overtime hours required for meeting and training events.

FY 2007/2008

The department estimates fewer vacancies (6 vs 9). There are expected to be less overtime hours as compared to FY 2006/07 for several reasons. The department will not recruit or hold an academy during this year resulting in a projected savings of 5,688 in overtime hours, as identified in the following table:

Academy Instructor Backfill	2,808
Academy Instructor Assistance	600
Pre-Employment Fitness Workshops/Testing	800
Firefighter Recruit Fitness	300
Firefighter Recruit Testing	1,180
TOTAL	5,688

FY 2008/2009

Overtime estimates are expected to meet proposed requested hours next year for several reasons. The department will host an academy in September of 2008. The department will also be required to recruit and test potential candidates to develop a new eligibility list. The current eligibility list will expire in September 2008. An additional 6,552 overtime hours were added as a budget justification to allow 3 fire fighters to attend paramedic school.

The key driver and variable in the management of overtime are the number of overtime hours experienced. As noted above the department continues to monitor all overtime hours and the proposed estimates are 5% below the 2006/2007 actual hours. The proposed increase in the overtime dollars over the two years is attributable to the expansion of the fire pay ranges and ongoing merit pay adjustments. The department remains committed to the management and reporting of overtime variances to City Management and the City Council. We believe we have a system in place to meet our mutual goal of managing Fire overtime and have demonstrated our ability to reduce overtime hours by decreasing the hours forecasted for FY 2008/09.

Fire Station Cost Comparison					
Community	Station #	Area (sf)	Construction Cost	Construction Completed Date	Construction Cost/Sq Ft
Scottsdale	Fire Station #2 (Downtown Station)	12,605	\$4,826,900	Jul-08	\$383
Gilbert	Fire Station #2	10,500	\$3,912,000	Jun-08	\$373
Goodyear	Fire Station #5	11,000	\$3,400,000	Jun-08	\$309
Gilbert	Fire Station #3	13,000	\$5,103,000	Jun-08	\$393
Phoenix	Fire Station #60	9,800	\$3,706,388	Apr-08	\$378
Surprise	Fire Station #305	10,145	\$3,087,512	Sep-07	\$304
Surprise	Fire Station #306	16,225	\$4,259,929	Aug-07	\$263
Peoria	Fire Station #7	11,600	\$3,500,000	Aug-07	\$302
Gilbert	Fire Station #1	22,500	\$6,857,000	Jun-07	\$305
Goodyear	Fire Station #4	13,500	\$3,300,000	Mar-06	\$244